

**Amendment No. 2 to HB2286**

**Kisber  
Signature of Sponsor**

**AMEND Senate Bill No. 2624**

**House Bill No. 2286\***

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 71-5-106, is amended by adding the following as new subdivisions:

(l) Not later than January 1, 2003, the bureau of TennCare or its designee shall verify the eligibility for TennCare of all enrollees on annual basis.

(m) To the extent permitted by federal law, the state may impose a reasonable fee for costs of eligibility determinations for applicants applying for medical assistance as part of the eligible expansion population under the TennCare waiver.

(n) In the TennCare waiver expansion population, except for persons medically eligible as uninsurable persons, enrollment shall not be permitted for individuals from households with incomes of greater than two hundred fifty percent (250%) of federal poverty levels.

(o) Except as may be required by federal law, after the effective date of this act, no person eighteen (18) years of age or older shall be eligible to receive TennCare benefits as a part of the waiver's expansion population if such person is eligible to participate in a group insurance plan offered through an employer, a family member's employer, a professional association or school.

(p) Not later than January 1, 2003, all determinations of eligibility for persons medically eligible as uninsurable in the TennCare waiver's expansion population shall be made on the basis of health condition based upon a review of medical records.

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SECTION 2. Tennessee Code Annotated, Section 71-5-102, is amended by designating the existing language of the section as subsection (a) and by adding the following as a new subsection (b):

(b)

(1) Except as may be required by federal law or regulation, it is hereby declared to be the public policy of the state of Tennessee that participation in the TennCare program, or its successor programs, is not an entitlement and is conditional upon, among other things, specific appropriations for the program.

(2) Not less than annually, the governor shall recommend and the general assembly may, through provisions of the general appropriations act, prioritize the funding for the TennCare program in a manner which specifies that funds are available to:

(A) continue coverage for enrollees currently in the program;

(B) extend coverage to potential new enrollees, or categories thereof, at current, higher or lower income levels; or,

(C) withdraw coverage from all enrollees not eligible for Medicaid.

(c) Continuation, extension and withdrawal of coverage for enrollees in the TennCare program shall be determined in accordance with such priorities, if any, established by the general assembly in the general appropriations act.

SECTION 3. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as new sections:

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Section 71-5-192. On or before January 1, 2004, a comprehensive, integrated information management system will be operational for the bureau of TennCare. Not less frequently than quarterly, the office of information resources in the department of finance and administration shall provide progress assessments concerning such system to the information systems council (ISC) and the fiscal review committee.

Section 71-5-193. There shall be established a TennCare advisory board, appointed by the governor, comprised of not less than twelve (12) nor more than fifteen (15) individuals who shall be representative of health care providers, business leaders and health care consumers. The board shall provide advice and direction to the bureau of TennCare in the management of the TennCare program. At least quarterly, the bureau of TennCare and the department of commerce and insurance shall present to the board an update on compliance by participating managed care organizations with statutory and contractual requirements, including, but not limited to, prompt payment of claims, network adequacy and provision of non-network essential services. The governor shall determine the terms and organizational structure of the board and will strive to insure racial and gender diversity.

SECTION 4. Any costs associated with the implementation of this act shall be paid from existing funds appropriated to the TennCare program.

SECTION 5. Tennessee Code Annotated, Section 71-5-110, is amended by adding the following language at the end of subsection (b):

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To the extent permitted by federal law, the application of a self-employed individual for medical assistance as a part of the TennCare program shall include a copy of the individual's most recent federal income tax return.

SECTION 6. Tennessee Code Annotated, Section 71-5-118, is amended by adding the following as a new subsection (g):

(g) The bureau of TennCare shall establish a program to randomly audit persons involved in the medical assistance program to monitor for violations of subsection (b) by such persons. The program shall audit applicants, employers, physicians and other persons involved in the medical assistance program. Violations of subsection (b) shall be regarded as TennCare fraud by bureau and the bureau shall refer appropriate cases of fraud to any appropriate law enforcement agencies, including the Tennessee bureau of investigation, for appropriate action. The bureau shall report concerning the activities of the audit program to the house and senate judiciary committees on or before January 30th of each year.

**SECTION 7.**

(a) Not later than September 1, 2002, the Fiscal Review Committee, in consultation with the bureau of TennCare and the Select Oversight Committee on TennCare, shall issue a request for information to potential contractors for eligibility determinations and re-verifications under the TennCare program. It is the legislative intent that information from interested potential contractors be received by October 15, 2002.

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(b) The Fiscal Review Committee, in consultation with the Bureau of TennCare and the Select Oversight Committee on TennCare, shall evaluate the responses from potential contractors and shall, no later than January 1, 2003 make a recommendation to the Governor, the commissioner of finance and administration, the comptroller of the treasury and the finance ways and means committees of the senate and house of representatives, relative to whether eligibility and re-verification services should be contracted and procured through competitive proposals.

(c) If such recommendation is in favor of contracting, it is the legislative intent that the request for competitive proposals be issued not later than March 1, 2003 and the resulting contract be effective no later than July 1, 2003.

SECTION 8. This act shall take effect on July 1, 2002, the public welfare requiring it.